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Canada: Outlook for Principal Field Crops

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) July outlook report for the 2017-18 crop year, which has ended for most crops, and AAFC's perspective on the 2018-19 crop year, which is just in its infancy. For most crops in Canada, the crop year starts on August 1 and ends on July 31, although for corn and soybeans, the crop year starts on September 1 and ends on August 31.

For 2017-18, although the crop year has ended for most crops, final year-end data for the crop year will not be available until September 6, 2018, when Statistics Canada (STC) publishes its estimate of stocks as of July 31, 2017. For grains and oilseeds (G&O), production and supply increased notably this crop year and Canadian exports rose substantially. The opposite situation prevailed for the pulses and special crops (P&SC) which, in total, showed a marked decrease in production and supply and a corresponding decrease in exports. Total domestic use decreased for G&O due to a reduction in feed, waste and dockage for wheat. However, total domestic use for P&SC increased due to higher use for both peas and lentils. In total, carry-out stocks of field crops are expected to increase by about 5% from last year to 15.5 million tonnes (Mt), 8% higher than the five-year average.

For 2018-19, based on STC's June 29 preliminary estimates of Canadian principal field crop areas for 2018, the area seeded increased marginally compared to last year because the higher area seeded to all wheat and coarse grains more-than offsets the lower area seeded to oilseeds and peas and lentils. There is currently a strong degree of uncertainty regarding expected yields due to dry conditions in some parts of Western Canada and Eastern Canada. As noted in the table below, total field crop production is currently forecast at 92 Mt, of which 92% are G&O and 8% are P&SC. Due to lower supply and higher exports, total carry-out stocks are expected to decrease significantly to 13.7 Mt which is below the five-year average. For your information, AAFC's September report will be based on STC's August 31 release of it's survey based estimates of average yields and production.

Canada: Principal Field Crops Supply and Disposition

Crop Years: 2016-2017 to 2018-2019 (forecast)

Units (Thousand Tonnes, unless otherwise specified)

Section	Crop Year	Seeded Area (thousand ha)	Harvested Area (thousand ha)	Yield (t/ha)	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
Grains and Oilseeds	2016-2017	26,435	24,618	3.47	85,498	1,619	99,748	42,149	43,640	13,959
	2017-2018f	27,142	26,323	3.26	85,753	2,430	102,142	45,193	42,909	14,040
	2018-2019f	27,801	26,836	3.17	85,016	1,850	100,906	46,218	42,268	12,420
Pulse and Special Crops	2016-2017	4,517	4,378	2.01	8,788	284	9,408	7,137	1,524	747
	2017-2018f	3,927	3,897	1.90	7,402	208	8,357	5,155	1,772	1,430
	2018-2019f	3,615	3,545	1.96	6,940	170	8,540	5,320	1,915	1,305
Total Principal Field Crops	2016-2017	30,952	28,996	3.25	94,285	1,903	109,156	49,286	45,164	14,706
	2017-2018f	31,069	30,220	3.08	93,154	2,638	110,499	50,348	44,681	15,470
	2018-2019f	31,417	30,381	3.03	91,956	2,020	109,446	51,538	44,183	13,725

ha: Hectares
t/ha: Tonnes per hectare

f: Forecast by AAFC except for area, yield and production for 2017-18 and area seeded for 2018-19 which are Statscan.
Source: Statistics Canada
Calculations compiled by AAFC, Grains and Oilseeds Division/Market Analysis Group

Wheat

Durum

For 2017-18, Canadian durum exports are forecast to fall slightly from 2016-17 to 4.5 million tonnes (Mt). The forecast for exports includes exports of 0.47 Mt which do not go through Canadian Grain Commission (CGC) licensed facilities and are not included in the CGC weekly export data, and exports of semolina of 0.04 Mt. Carry-out stocks are forecast to fall by 25% to 1.40 Mt, 3% higher than the past five-year average of 1.36 Mt.

The average Canadian crop year producer price for durum decreased from 2016-17 as support from the lower world, Canadian and US durum supply was more-than offset by the better average quality of the Canadian durum crop and the stronger Canadian dollar.

For 2018-19, the area seeded to durum in Canada increased by 19% from 2017-18, according to Statistics Canada's (STC) seeded area report. Saskatchewan accounts for 80.6% of the total seeded area, Alberta for 19.2%, and Manitoba for 0.2%.

Production is forecast to increase by 17% to 5.8 Mt. The production forecast is 0.3 Mt lower than in the July report because of below normal precipitation in most of the durum growing areas. Supply is expected to increase by 5%, as the higher production is partly offset by lower carry-in stocks. Exports are forecast to increase by 7% from 2017-18 because of the higher Canadian supply, Canada accounting for a larger portion of the total world supply and much better quality of the carry-in stocks compared to 2017-18. Carry-out stocks are forecast to rise by 7% to 1.5 Mt.

World durum production is forecast to increase by 1.1 Mt from 2017-18 to 38.1 Mt, while supply rises by only 0.6 Mt to 47.5 Mt because of lower carry-in stocks, according to the International Grains Council (IGC). Use is expected to increase by 0.6 Mt to 38.1 Mt because of higher food use and carry-out stocks are forecast to be stable at 9.4 Mt. Durum production in the United States (US) is forecast to increase to 1.99 Mt from 1.49 Mt.

The average Canadian crop year producer price for durum is forecast to fall from 2017-18 due to higher Canadian and world supply. Durum prices have fallen slightly during the past month.

The main factors to watch are the production volumes of durum at the world, Canada and US levels.

Wheat (excluding durum)

For 2017-18, Canadian wheat exports are forecast to increase by 13% to 17.6 Mt. The exports forecast includes exports of 1.06 Mt which do not go through CGC licensed facilities and are not included in the CGC weekly export data, and exports of flour of 0.31Mt. Carry-out stocks are forecast to fall by 5% to 4.7 Mt, 15% lower than the past five-year average of 5.56 Mt.

Canadian average crop year wheat producer prices increased from 2016-17 as pressure from the higher world and Canadian supply and the stronger Canadian dollar was more than offset by support from the lower US supply and stronger demand, especially for high protein wheat.

For 2018-19, the area seeded to wheat in Canada increased by 8% from 2017-18, according to the STC seeded area report. Spring wheat area, which accounts for 92.5% of the total wheat area, increased by 9%, while winter wheat area fell by 10%.

Canada western hard red spring (CWRS) wheat accounts for 79% of the total wheat area at 5,963 thousand hectares (kha), up from 5,739 kha for 2017-18. Seeded areas for other classes of wheat with 2017-18 area in brackets: winter wheat (hard red, soft red and soft white): 565 kha (625 kha), Canada Prairie spring (CPS) 369 kha (285 kha),Canada Northern Hard Red (CNHR) 309 kha, Canada western soft white spring (CWSWS) 119 kha (189 kha), Canada western extra strong (CWES) 37 kha (53 kha), other Canada western spring 84 kha and Canada eastern spring wheat (mostly CERS) 118 kha (128 kha). This was the first survey for CNHR wheat and the area for other spring wheat is not directly comparable with 2017-18. Saskatchewan accounts for 42.8% of the total wheat area, Alberta for 34%, Manitoba for 15.7%, Ontario for 5.6%, Quebec for 1.2%, British Columbia for 0.4% and the Atlantic Provinces for 0.3%.

Production is projected to fall by 2% to 24.5 Mt due to a return to trend yields from the above trend yields of 2017-18. Supply is forecast to decrease by 3% as lower carry-in stocks compound the drop in production. Exports will be limited by the supply and therefore are forecast to fall slightly. Carry-out stocks are forecast to fall by 15% to 4 Mt.

World production is forecast to decrease by 28 Mt to 730 Mt, according to USDA. Supply is projected to fall by 12 Mt to 1,003 Mt. Total use is expected to increase by 2 Mt to 744 Mt because of growing use for food. Carry-out stocks are forecast to fall by 14 Mt to 259 Mt. However, China accounts for 136 Mt of the stocks, an increase of 9 Mt from 2017-18. Wheat stocks in China are generally not exported. Excluding China, world all wheat stocks are expected to fall by 23 Mt to 123 Mt.

All wheat production in the US is forecast to rise by 3.7 Mt to 51.1 Mt, according to USDA. Supply is projected to rise by 0.9 Mt to 84.7 Mt. Domestic use is forecast to rise by 2.1 Mt and exports are forecast to increase by 3.4 Mt. Carry-out stocks are forecast to decrease by 4.5 Mt to 25.5 Mt.

The average crop year prices of wheat in Canada for 2018-19 are forecast to increase from 2017-18 because of the lower world, US and Canadian supply. However, protein premium are expected to decrease because of higher hard red spring wheat production in the US and higher protein levels for US hard red winter wheat.

Prices have risen during the past month due to declining crop production estimates for the EU, Russia, Ukraine and Australia, resulting from dry conditions in many wheat growing areas.

The main factors to watch are the production volumes of wheat at the world, US and Canada levels.

Coarse Grains

Barley

For 2017-18, exports are forecast to increase to a 4-year high due to the steady total supply, strong exports to China and lower world barley supplies. Barley carry-out stocks are forecast to decrease by 55% to 0.95 million tonnes (Mt) and remain below the previous three and five-year averages. The Lethbridge in-store feed barley price increased by 35% due to the tight total barley supplies, strong export movement and the decline in the availability of other domestic feed grain sup s.

For 2018-19, seeded area is forecast to increase 13% from 2017-18, a rebound from last year's record low seeded area. Production is forecast to increase 8% to 8.5 Mt due to the higher area and a forecasted average total yield. Despite higher production, lower carry-in stocks will cause total supply to decrease by 5% to 9.6 Mt. Total domestic use is forecast to remain unchanged due to lower feed use and only a slight increase in industrial use is expected. Exports are forecast to decrease due to lower total supplies and a return to normal trade patterns. Barley carry-out stocks are forecast at 1.0 Mt, the same as last year. The Lethbridge cash feed barley price is forecast to increase slightly from 2017-18.

By the beginning of August, early barley crops were starting to come off and signalled the beginning of harvest pressure on prices. Conditions are quite variable across regions so final yields and production estimates are uncertain.

World barley production is expected to decrease due to declines in Russia and Ukraine, along with low yields in Australia and some of the EU countries. World feed barley prices have increased in value over the past two months reaching near US $240/tonne (t) mark for the first time since May 2014. Similar to last crop year, most of the gain is attributable to the sharp rise in domestic Australian feed barley prices, after a smaller crop and a strong export program has depleted supplies. Australian feed barley is trading at only a slight discount to the price of malting barley. The world FOB price for feed barley continues to trade at a large premium to corn, with the 2017-18 crop year trading at its highest level in five years.

Corn

For 2017-18, exports are forecast to increase by 40% due to the higher Canadian total supply, lower world corn supply and continuing strong demand from the western EU region. Carry-out stocks are forecast to decrease by 4% to 2.1 Mt, but continue to be above the previous three and five-year averages. The nearby Chatham corn price is forecast to increase slightly due to higher US corn futures and a near to unchanged Canadian dollar.

For 2018-19, seeded area is forecast to increase due to strong prices and good overall demand. Production is forecast to increase but imports are expected to decrease by about 30% due to the higher domestic supply. Despite near record carry-in stocks and higher production, the lower imports will cause total supply to decrease by 2% to 17.5 Mt. Total domestic use is forecast to be similar to last year due to flat ethanol production, industrial use and livestock feeding. Exports are forecast to decrease by 17% due to increased international competition. Carry-out stocks are forecast to decease by 7% but remain slightly above the previous five-year average. The nearby Chatham corn price is forecast to increase due to a projected higher US corn futures and a near to unchanged Canadian dollar.

The nearby Chatham crop year prices will average slightly higher than last year due to the higher US corn futures prices. During the summer, the USDA made upward adjustments to the area seeded to corn in the US for 2018-19, which will increase US corn production but the ending stock projection has been lowered by around 25%, which has helped boost US corn futures prices. If achieved, this will give a five-year total average US corn yield of 173 bu/acre and near-record production and supply, for the fifth year.

Although the US dollar has recently rebounded in value, the US remains very competitive in the world corn export market. However, for the US, ongoing trade issues with China and Mexico continue to add a level of uncertainty into its trade relations. As in US, the other three major world corn market competitors, Argentina, Brazil and Ukraine, are projected to have higher 2018-19 corn production, which will cut into the US's corn export market share.

Oats

For 2017-18, exports, including oat grain and products, mainly to the US, are forecast to increase by 4% to the highest level in nine years. Carry-out stocks are expected to rise by 28% due to higher total supply. The Canadian oat price increased about 5% from last crop year due to a higher US oat futures price and support from the Canadian dollar.

For 2018-19, seeded area is forecast to decrease from 2017-18 due to competition from alternative crops. A return to an average rate of abandonment and yield will cause Canadian oat production to decrease by 7%. Offsetting the lower production is a major increase in carry-in stocks but total supply is forecast to decrease by 2%. Total domestic usage is forecast to decrease by 5% due to lower feed use and flat human consumption. Oat grain and product exports are forecast to increase due to higher US demand. Carry-out stocks are forecast to decrease 6% to 0.85 Mt and remain slightly below the previous three and five-year averages. The Canadian oat price is forecast to increase due to a higher forecasted US oat futures price and a near to unchanged Canadian dollar.

Since June 1, the beginning of the US cereal crop year, the December 2018 US oat futures have closed in a narrow channel of about US$0.10/bu. The US oat harvest is well underway. Harvest on the Canadian prairies will be in full swing in the second half of August. Harvest will put downward pressure on spot prices. Canadian oats are heavily contracted for at the beginning of the crop year. The total North American supply of oats is expected to be similar to the 2017-18 level. The forecasted stronger US corn futures price will be price supportive for Canadian oats. US demand is expected to remain at long-term trend levels. Final overall price gains for 2018-19 should be in the 5 to10% range compared to 2017-18.

Rye

For 2017-18, exports are forecast to increase by 33% due to the large total rye supply and improved export demand to the US. Rye carry-out stocks are forecast to decrease by 27% to 0.12 Mt but they remain well above all previous short and medium term averages. Prices increased about 40% with smaller North American rye grain supplies and the general price increase to the coarse grain complex.

For 2018-19, seeded area is forecast to decrease by 6% to 136,000 hectares from 2017-18, which is very close to both the previous five and 10-year averages. Production is forecast to decrease 7% due to the lower seeded area and a forecast for average rates of abandonment and yield. Continuing high carry-in stocks will partially offset the decrease in production as total supply is forecast to decrease by 14% to 0.42 Mt. Total domestic use is forecast to decrease by 19% due to lower livestock feeding and flat industrial use. Exports are forecast to remain unchanged due to the lower total supply but good US rye grain demand. Rye carry-out stocks are forecast to decrease by 29% to 0.85 Mt and remain near the previous five-year average. Canadian rye prices are forecast to increase given a forecast for a smaller North American rye crop and total supply.

The hot, dry conditions in July on the Canadian prairies is promoting rapid crop development. Some early harvest was completed by the end of July but general harvest will not be in full swing until mid-August. Since January 2018, rye grain exports to the US have been running at twice the previous five-year average. This is expected to continue due to abundant supply.The USDA will not post their 2018 rye production estimate until the end of September, in their Small Grains summary report, but early indications have been for increased production.

Oilseeds

Canola

For 2017-18, exports of canola through licensed grain handling facilities were 10.2 million tonnes (Mt), down about 0.6 Mt from last year's shipments. An additional small amount of canola is expected to be shipped to the US through unlicensed facilities. Domestic crush is estimated at 9.1 Mt versus 9.2 Mt last year. Carry-out stocks are estimated at 2.7 Mt, of which 0.92 Mt are in commercial position. The crop year simple average for prices was $539/t, up slightly from 2016-17.

For 2018-19, the seeded area is estimated at 9.2 million hectares (Mha) versus 9.3 Mha last year. Saskatchewan accounted for 54% of the seeded area, followed by Alberta at 30% and Manitoba at 15%.

The crop outlook remains favourable based on industry and provincial government reports, despite drier than normal soil moisture across much of Western Canada. Localized harvesting is expected to start in early-to-mid August and is expected to be in full swing by mid-to-late August.

Production is forecast to be the second highest on record, at 20.3 Mt versus last year's record of 21.3 Mt, assuming normal area abandonment and 5-year average yields of 2.2 t/ha. Production in Manitoba is forecast at 3.0 Mt, Saskatchewan at 10.6 Mt and Alberta at 6.5 Mt.

Based on these estimates for carry-in stocks and production, the total supply of canola are forecast to rise from last year, setting a new record of 23.1 Mt. Exports are forecast to increase by 6%, to 11.5 Mt, as world demand for Canadian canola remains strong and domestic supplies remain ample. Exports will be limited by large world supplies of competing oilseeds, vegetable oils and protein meals.

Domestic crush is forecast to increase slightly to 9.2 Mt as the industry is expected to continue operating at near full capacity. Canadian production of canola oil and meal are forecast at 4.1 Mt and slightly over 5.0 Mt, respectively.

Carry-out stocks are forecast at 2.3 Mt for a stocks-to-use ratio of 11%. Canola prices are forecast to decline marginally, to $510-550/t, on support from stable world oilseed and vegetable oil prices.

Flaxseed

For 2017-18, exports are estimated at near 0.45 Mt, with shipments through licensed grain handling facilities finishing the crop year at 0.24 Mt. Carry-out stocks are forecast to be significantly lower than last year, at 0.17 Mt, due to lower supply and higher feed, waste and dockage. Flaxseed prices finished the crop year at $463/t, marginally higher than last year.

For 2018-19, seeded area for flaxseed is estimated down, at 0.36 Mha, based on Statistics Canada's Seeded Area Survey. Production is forecast to decrease slightly, to 0.55 Mt, assuming normal abandonment and five-year average yields. Supply is forecast to decrease on lower output and lower carry-in stocks.

Exports are optimistically forecast to rise to 0.60 Mt while total domestic use falls sharply due to a drop in feed, waste and dockage. Carry-out stocks are forecast to fall 50% to 0.09 Mt with a stocks-to-use ratio of 13%. The average flaxseed price is expected to remain stable at $440-480/t.

Soybeans

For 2017-18, exports are forecast at a record 4.6 Mt, up from 4.4 Mt in 2016-17 on ample domestic supplies, a wide basis and the low value of the Canadian dollar. China is the major buyer of Canadian soybeans for the crop year to-date.

Domestic processing of soybeans is estimated up marginally from last year to 1.85 Mt, due to stronger soymeal prices. Feed, waste and dockage is forecast at a record 0.88 Mt. Carry-out stocks are projected at 1.0 Mt, which, while a record high, are not considered burdensome.

Soybean prices fell slightly from last year to $436/t. The decline in soybean prices towards the end of the crop year was consistent with the improved world situation for soybeans with the expected US bumper crop relieving supply concerns arising from the Argentine drought.

For 2018-19, planted area is forecast to fall by 13%, to 2.6 Mha, a reversal of the long-run trend of steadily increasing area in Canada. The decline is due to attractive prices for alternative crops such as wheat, dry weather across Western Canada and burdensome world soybean supplies.

Production is forecast to fall by 8%, to 7.1 Mt, as the decline in harvested area more than offsets the increase in yields based on a five-year average. Total supply is forecast to decrease slightly to 8.5 Mt as the decline in output is moderated by the sharp rise in carry-in stocks.

Exports are forecast to rise to a record 5.3 Mt, with shipments headed to a diverse group of countries. Domestic processing is forecast to rise to 1.9 Mt, slightly under the record pace set in 2015-16. Carry-out stocks are forecast to fall by 20% to 0.80 Mt, the second highest level on record.

Soybean prices are forecast to increase slightly to $430-470/t on support from higher US prices and the discount of the Canadian dollar against the American currency.

The main major factors to watch are: (1) the ongoing US-China trade dispute, (2) crop conditions and yield estimates for soybeans in the US and (3) exchange rates.

Pulses and Special Crops

Dry Peas

For 2017-18, exports are estimated at 2.9 million tonnes (Mt), 26% lower than the 2016-17 level, with lower exports to India partly offset by record exports to China and the US. This has been partly offset by stronger domestic use, but is still expected to result in an increase in carry-out stocks. For yellow peas, the crop year average price fell sharply from 2016-17. Green and feed pea prices were similar to the previous year. With higher carry-out stocks, the average dry pea price was lower than last year.

For 2018-19, Canadian dry pea production in Canada is forecast to fall by 12% from 2017-18, to 3.6 Mt. This is largely due to a decrease in harvested area. Saskatchewan is estimated to account for 49% of the dry pea production, with 46% in Alberta, 2% in Manitoba and British Columbia and the remainder in Eastern Canada. Supply is forecast to fall by 7% to 4.1 Mt due to higher carry-in stocks. Exports are forecast to fall to 2.8 Mt, with China, Bangladesh and the US expected to be Canada's top markets. Carry-out stocks are also forecast to decrease. The average price is expected to be lower than 2017-18, as larger world supply is partly offset by lower carry-out stocks in Canada.

In the US, area seeded to dry peas for 2018-19 is forecast by USDA to fall by 22% from 2017-18, to 0.9 million acres. This is largely due to an expected fall in area in North Dakota and Montana. Assuming a return to normal yields and abandonment, US dry pea production is forecast by AAFC to rise to 0.7 Mt. The US has been successful in exporting small amounts of dry peas to common Canadian exports markets in China and Turkey. It is expected the US will continue to try increase its share in these markets in 2018-19.

Lentils

For 2017-18, lentil exports fell to 1.5 Mt, down nearly 40% from the previous year. Exports of red lentils were 0.8 Mt while 0.7 Mt were green lentils. The main markets were Turkey, the United Arab Emirates, the EU and Mexico. Total domestic use was similar to 2016-17 at 0.6 Mt. Carry-out stocks increased sharply to 0.8 Mt. The average Canadian lentil price was significantly lower than it was for 2016-17. No.1 large green lentil prices maintained a crop year premium over No.1 red lentil prices which averaged $340/t.

For 2018-19, lentil production is forecast to fall by 7% to 2.4 Mt, the fourth largest Canadian lentil crop on record. Smaller seeded area is expected to be offset by higher yields than the previous year. There was a 14% fall in seeded area from 2017-18, with the majority of the decrease in red lentil types. Saskatchewan is expected to account for 87% of the lentil production, with the remainder in Alberta. Supply is forecast to increase by only 10% due to higher carry-in stocks. Exports are forecast to rise to 1.8 Mt. Carry-out stocks are forecast to be similar to the previous year. The average price is forecast to be lower than 2017-18 due to similar carry-out stocks and expectations for a larger world supply.

In the US, the area seeded to lentils for 2018-19 is forecast by the USDA to fall by nearly 30% to 0.8 mln ac, due to lower area seeded in Montana and North Dakota. Assuming a return to average yields and abandonment, 2018-19 US lentil production is therefore forecast by AAFC at over 0.4 Mt, up sharply from last year. The main US export markets for lentils are expected to continue to be Canada, Mexico and the EU.

Dry Beans

For 2017-18, dry bean exports were higher than 2016-17 due to the higher Canadian supply and lower world prices. The US and the EU remained the main markets for Canadian dry beans, with smaller volumes exported to Japan, Mexico, the Middle East and Africa. Larger North American supply provided the majority of the pressure for the fall in US and Canadian dry bean prices in 2017-18.

For 2018-19, Canadian production is forecast to decrease to nearly 0.27 Mt, as a fall in seeded area combines with lower yields. By province, Ontario is expected to account for 26% of the dry bean production, Manitoba 40%, Alberta 25%, with the remainder in Quebec and the Maritimes. Supply and exports are expected to decrease. Although exports are forecast to fall from the previous year, Canada is expected to maintain its market share in the US, Europe and Japan. Despite this, carry-out stocks are expected to fall. The average Canadian dry bean price is forecast to increase due to lower expected supply in North America.

In the US, area seeded to dry beans is forecast by the USDA to fall sharply to 1.2 million acres, largely due to lower area seeded in North Dakota and Nebraska. Total US dry bean production for 2018-19 (excluding chickpeas) is forecast by AAFC at 0.9 Mt, down 28% from 2017-18.

Chickpeas

For 2017-18, Canadian chickpea exports have risen from the previous year to 120 kt. This was largely due to increased exports to Pakistan, the EU and Turkey. With the higher supply being offset by increased exports, carry-out stocks are expected to remain unchanged. The average price decreased, but remained near historical highs due to lower world supplies.

For 2018-19, production is forecast to more than triple to 335 kt, due to higher area and expectations for average yields. By province, Saskatchewan is expected to account for 84% of the chickpea production, 15% in Alberta and the remainder in Manitoba and British Columbia. Supply, is also forecast to be sharply higher than last year. Exports are forecast to be higher than in 2017-18, however, carry-out stocks are expected to rise sharply. The average price is forecast to decrease due to expectations for increased world chickpea supply.

US chickpea area for 2018-19 is forecast by the USDA at a record 0.66 million acres, up 7% from the previous year. Assuming normal yields and abandonment, 2018-19 US chickpea production is therefore forecast by AAFC at a record 0.43 Mt, up over 35% from last year.

Mustard Seed

For 2017-18, Canadian mustard exports fell marginally to 115 kt, down from the previous year due to lower export demand from the US. Carry-out stocks fell due to the sharply lower supply. Prices rose sharply from the previous year for yellow and oriental mustard seed types and to record levels for brown mustard seed types. This was largely due to support from the smaller Canadian and US domestic stocks.

For 2018-19, production is estimated at 195 kt, sharply higher than that of last year on a large rise in seeded area and expectations for better yields. Supply, however, is only expected to increase by 18%, to 247 kt, as smaller carry-in stocks moderate the rise in output. Exports are expected to rise to 125 kt, with the US and the EU being the main markets for Canadian mustard seed. Despite this, carry-out stocks are forecast to rise. The average price is forecast to decrease from 2017-18 to a range of $700-730/t.

Canary Seed

For 2017-18, exports were largely unchanged from the previous year. Decreased Mexican and EU demand was offset by higher Brazilian and Indonesian demand. The average producer price decreased from a year earlier.

For 2018-19, production is estimated at 110 kt, down 20% from last year, due to lower area. Supplies are likewise forecast to decrease. Exports are forecast to decrease from 2017-18 due to the fall in supply, with the EU and Mexico continuing to be the main markets, followed by the US and Brazil. The average price is forecast to be unchanged from 2017-18.

Sunflower Seed

For 2017-18, sunflower seed exports decreased to 15 kt due to decreased demand from the US. Consequently, carry-out stocks rose. The average Canadian price for sunflower seed increased from the previous year as lower oilseed prices were more than offset by higher prices for confectionery types.

For 2018-19, production is estimated at 60 kt, up marginally from last year, because area seeded increased by 23% from 2017-18, to 32 thousand hectares. Yields are expected to be lower than last year. Exports are forecast to rise to 25 kt due to expectations for increased US demand. The US remains Canada's main export markets for sunflower seed, with small amounts moving to the Middle East and South America. Carry-out stocks are forecast to rise to 55 kt. Sunflower seed prices are forecast to rise to $585-615/t, due to higher prices for confectionery seed.

US sunflower seed area is forecast by the USDA at 1.46 million acres, up marginally from 2017-18 due to higher area in South Dakota, the largest sunflower seed growing state. The total US area seeded to oil type varieties is expected to rise to 1.3 million acres and the area seeded to confectionery type varieties is forecast to fall to 0.15 million acres. Assuming normal yields and abandonment, 2018-19 US sunflower seed production is forecast by AAFC to be relatively unchanged at just under 1.0 Mt.

For 2018-19, global supply of sunflower seed is estimated by the USDA at 52.0 Mt, marginally lower than last year. This is due to lower

expected production in the EU. World exports are expected to fall by 12% to 2.1 Mt and domestic use is expected to fall marginally to 47 Mt. As a result, world carry-out stocks are expected to fall to 2.5 Mt, the lowest since 2010-11.

Canada: Grains and Oilseeds Supply and Disposition

Crop Years: 2016-2017 to 2018-2019 (forecast)

Units (Thousand Tonnes, unless otherwise specified)

Commodity	Crop Year [a]	Seeded Area (thousand ha)	Harvested Area (thousand ha)	Yield (t/ha)	Production	Imports [b]	Total Supply	Exports [c]	Food and Industrial Use[d]	Feed, Waste, and Dockage	Total Domestic Use[e]	Carry-out Stocks	Average Price[g] ($/t)
Durum	2016-2017	2,469	2,333	3.33	7,762	11	8,873	4,534	174	2,098	2,476	1,863	275
	2017-2018f	2,106	2,088	2.38	4,962	5	6,830	4,500	175	529	930	1,400	265
	2018-2019f	2,503	2,455	2.36	5,800	5	7,205	4,800	180	505	905	1,500	240-270
Wheat (excluding durum)	2016-2017	7,156	6,643	3.67	24,378	99	28,555	15,621	3,262	3,969	7,961	4,973	235
	2017-2018f	7,020	6,895	3.63	25,022	70	30,065	17,600	3,200	3,744	7,765	4,700	240
	2018-2019f	7,564	7,359	3.33	24,501	90	29,291	17,500	3,280	3,682	7,791	4,000	230-260
All Wheat	**2016-2017**	**9,625**	**8,976**	**3.58**	**32,140**	**110**	**37,428**	**20,155**	**3,436**	**6,067**	**10,436**	**6,836**	
	2017-2018f	**9,126**	**8,983**	**3.34**	**29,984**	**75**	**36,895**	**22,100**	**3,375**	**4,273**	**8,695**	**6,100**	
	2018-2019f	**10,068**	**9,814**	**3.09**	**30,300**	**95**	**36,495**	**22,300**	**3,460**	**4,186**	**8,695**	**5,500**	
Barley	2016-2017	2,702	2,266	3.90	8,839	64	10,346	2,323	85	5,614	5,901	2,122	169
	2017-2018f	2,334	2,114	3.73	7,891	75	10,088	2,850	135	5,943	6,288	950	227
	2018-2019f	2,630	2,330	3.65	8,500	125	9,575	2,400	136	5,924	6,275	900	215-245
Corn	2016-2017	1,452	1,414	9.83	13,889	831	16,962	1,286	5,186	8,290	13,489	2,187	171
	2017-2018f	1,447	1,406	10.02	14,095	1,600	17,882	1,800	5,200	8,769	13,982	2,100	165-175
	2018-2019f	1,470	1,440	9.93	14,300	1,100	17,500	1,500	5,300	8,736	14,050	1,950	165-195
Oats	2016-2017	1,232	925	3.49	3,231	21	4,219	2,305	125	978	1,211	703	209
	2017-2018f	1,295	1,049	3.55	3,724	20	4,447	2,400	180	856	1,147	900	218
	2018-2019f	1,235	1,000	3.45	3,450	20	4,370	2,425	180	804	1,095	850	225-255
Rye	2016-2017	186	140	3.12	436	1	488	145	48	119	180	163	115
	2017-2018f	144	97	3.34	324	0	487	193	49	112	174	120	162
	2018-2019f	136	103	2.91	300	0	420	193	49	79	142	85	160-190
Mixed Grains	2016-2017	177	62	2.83	175	0	175	0	0	175	175	0	-
	2017-2018f	123	54	2.77	149	0	149	0	0	149	149	0	-
	2018-2019f	144	65	2.84	185	0	185	0	0	185	185	0	-
Total Coarse Grains	**2016-2017**	**5,749**	**4,805**	**5.53**	**26,570**	**916**	**32,190**	**6,058**	**5,445**	**15,175**	**20,956**	**5,175**	
	2017-2018f	**5,342**	**4,720**	**5.55**	**26,184**	**1,696**	**33,054**	**7,243**	**5,564**	**15,830**	**21,741**	**4,070**	
	2018-2019f	**5,615**	**4,938**	**5.41**	**26,735**	**1,245**	**32,050**	**6,518**	**5,665**	**15,728**	**21,747**	**3,785**	
Canola	2016-2017	8,411	8,263	2.37	19,599	95	21,785	11,016	9,191	162	9,420	1,348	529
	2017-2018f	9,306	9,266	2.30	21,313	100	22,761	10,800	9,100	110	9,261	2,700	539
	2018-2019f	9,203	9,189	2.21	20,335	100	23,135	11,500	9,200	134	9,385	2,250	510-550
Flaxseed	2016-2017	381	342	1.73	591	17	887	500	0	129	147	240	458
	2017-2018f	421	419	1.33	555	10	805	450	0	167	185	170	463
	2018-2019f	358	353	1.54	545	10	725	600	0	20	40	85	440-480
Soybeans	2016-2017	2,269	2,232	2.96	6,596	482	7,459	4,419	1,832	546	2,680	360	454
	2017-2018f	2,947	2,935	2.63	7,717	550	8,627	4,600	1,850	877	3,027	1,000	436
	2018-2019f	2,558	2,542	2.79	7,100	400	8,500	5,300	1,900	300	2,400	800	430-470
Total Oilseeds	**2016-2017**	**11,061**	**10,837**	**2.47**	**26,787**	**594**	**30,131**	**15,935**	**11,024**	**836**	**12,248**	**1,948**	
	2017-2018f	**12,674**	**12,620**	**2.34**	**29,585**	**660**	**32,193**	**15,850**	**10,950**	**1,154**	**12,473**	**3,870**	
	2018-2019f	**12,118**	**12,084**	**2.32**	**27,980**	**510**	**32,360**	**17,400**	**11,100**	**454**	**11,825**	**3,135**	
Total Grains and Oilseeds	2016-2017	26,435	24,618	3.47	85,498	1,619	99,748	42,149	19,904	22,078	43,640	13,959	
	2017-2018f	27,142	26,323	3.26	85,763	2,430	102,142	45,193	19,889	21,258	42,909	14,040	
	2018-2019f	27,801	26,836	3.17	85,016	1,850	100,906	46,218	20,225	20,369	42,288	12,420	

Source: Statistics Canada
Calculations compiled by AAFC, Grains and Oilseeds Division/Market Analysis Group

Canada: Grains and Oilseeds Supply and Disposition

Crop Years: 2016-2017 to 2018-2019 (forecast)

Units (Thousand Tonnes, unless otherwise specified)

[a] Crop year is August-July, except corn and soybeans, for which the crop year is September-August.
[b] Imports exclude products.
[c] Exports include grain products, while excluding oilseed products.
[d] Food and Industrial Use for soybeans is based on data from the Canadian Oilseed Processors Association. Total number excludes food and industrial use for flaxseed due to data confidentiality.
[e] Total Domestic Use = Food and Industrial Use + Feed Waste and Dockage + Seed Use + Loss in Handling
[g] Crop year average prices: Wheat (No.1 CWRS, 13.5% protein) and Durum (No.1 CWAD, 13% protein), both are average Saskatchewan producer spot prices and are not comparable to CWB pool returns for previous years: Barley (No. 1 feed, cash, I/S Lethbridge), Corn (No.2 CE, cash, I/S Chatham), Oats (US No. 2 Heavy, CBOT nearby futures); Rye (No. 1 CW, cash, I/S Saskatoon); Canola (No. 1 Canada, cash, Track Vancouver); Flaxseed (No. 1 CW, cash, I/S Saskatoon); Soybeans (No. 2 CE, cash, I/S Chatham).
ha: Hectares
t/ha: Tonnes per hectare

f: Forecast by AAFC except for area, yield and production for 2017-18 and area seeded for 2018-19 which are Statscan.

Source: Statistics Canada
Calculations compiled by AAFC, Grains and Oilseeds Division/Market Analysis Group

Canada: Pulses and Special Crops Supply and Disposition

Crop Years: 2016-2017 to 2018-2019 (forecast)

Units (Thousand Tonnes, unless otherwise specified)

Commodity	Crop Year [a]	Seeded Area (thousand ha)	Harvested Area (thousand ha)	Yield (t/ha)	Production	Imports [b]	Total Supply	Exports [b]	Total Domestic Use[c]	Carry-out Stocks	Stocks-to-Use Ratio %	Average Price[d] ($/t)
Dry Peas	2016-2017	1,733	1,677	2.88	4,836	32	5,041	3,944	796	301	6	300
	2017-2018f	1,656	1,642	2.50	4,112	12	4,425	2,900	1,025	500	13	265
	2018-2019f	1,458	1,430	2.52	3,600	15	4,115	2,800	1,115	200	5	220-250
Lentils	2016-2017	2,254	2,221	1.44	3,194	98	3,365	2,455	595	315	10	575
	2017-2018f	1,783	1,774	1.44	2,558	35	2,908	1,500	608	800	38	475
	2018-2019f	1,524	1,500	1.58	2,375	35	3,210	1,800	610	800	33	420-450
Dry Beans	2016-2017	129	119	2.09	249	91	355	335	19	1	0	885
	2017-2018f	135	131	2.45	322	85	408	355	23	30	8	760
	2018-2019f	122	119	2.23	265	80	375	330	25	20	6	765-795
Chickpeas	2016-2017	62	44	1.86	82	27	129	108	16	5	4	1000
	2017-2018f	68	68	1.35	92	47	144	120	19	5	4	950
	2018-2019f	190	185	1.81	335	8	348	135	63	150	76	475-505
Mustard Seed	2016-2017	206	195	1.21	236	7	248	124	44	80	48	660
	2017-2018f	156	153	0.80	122	7	209	115	44	50	32	770
	2018-2019f	204	198	0.98	195	2	247	125	47	75	44	700-730
Canary Seed	2016-2017	105	95	1.48	140	0	175	153	2	20	13	485
	2017-2018f	103	103	1.33	137	0	157	150	2	5	3	465
	2018-2019f	86	83	1.33	110	0	115	105	5	5	5	440-470
Sunflower Seed	2016-2017	28	28	1.84	51	29	95	18	52	25	36	565
	2017-2018f	26	26	2.26	58	22	105	15	50	40	62	590
	2018-2019f	32	31	1.94	60	30	130	25	50	55	74	585-615
Total Pulses and Special Crops	2016-2017	4,517	4,378	2.01	8,788	284	9,408	7,137	1,524	747	9	
	2017-2018f	3,927	3,897	1.90	7,402	208	8,357	5,155	1,772	1,430	21	
	2018-2019f	3,615	3,548	1.96	6,940	170	8,540	5,320	1,916	1,306	18	

[a] Crop year is August-July. Grains include pulses (dry peas, lentils, dry beans, chick peas) and special crops (mustard seed, canary seed, sunflower seed).
[b] Exclude products.
[c] Total Domestic Use = Food and Industrial Use + Feed Waste and Dockage + Seed Use + Loss in Handling. Total domestic use is calculated residually.
[d] Producer price, Free-on-board (FOB) plant, average over all types, grades and markets.
ha: Hectares
t/ha: Tonnes per hectare

f: Forecast by AAFC except for area, yield and production for 2017-18 and area seeded for 2018-19 which are Statscan.

Source: Statistics Canada
Calculations compiled by AAFC, Grains and Oilseeds Division/Market Analysis Group